



**Statement of  
Randy Peterson, SVP Regional Operations  
Via Christi Health System  
to the  
Kansas Health Policy Authority  
November 21, 2006  
Pittsburg, Kansas**

Members and staff of the Kansas Health Policy Authority,

I am Randy Peterson, SVP of Regional Operations for Via Christi Health System. Via Christi is the largest health care system in Kansas with more than one in every five acute Medicaid admission occurring at a Via Christi facility. We provide a wide array of healthcare services including acute care, senior care, insurance, retail and outpatient healthcare services. Via Christi Health System operates nine hospitals; twelve senior communities and a PACE program which helps people remain at home; a health plan covering over 190,000 lives, ambulatory surgery and imaging centers, home medical services as well as several joint ventures. Our system consists of over 9,000 employees, 1,000 physicians and hundreds of donors and volunteers. I'm grateful for the opportunity to appear before you today to address two issues that pose operational challenges to Via Christi Health System. Those two issues are mental health and Medicaid DSH reimbursement.

**Relating to Mental Health** - As you know, in 1990, there were 30 hospitals in Kansas providing inpatient mental health. Today, 12 hospitals provide inpatient Medicaid and uninsured mental health services. Via Christi Health System provides 45% of the state's adult involuntary beds (not including state hospitals). Via Christi also provides 36% of the state's adult beds (not including state hospitals). Via Christi Health System facilities served mental health patients from 80 of the 105 Kansas counties in Fiscal Year 2005. Approximately 23% of Via Christi's mental health patients are uninsured compared to the general patient population in our acute care facilities of 8%. The average reimbursement to the Health System for a mental health patient who is uninsured is 3% of the cost of care they receive.

There are many reasons that mental health patients find themselves uninsured:

1. They find it very difficult to maintain employment due to their mental illness;
2. They are often afraid or unable to complete public assistance forms; and
3. They are unable to complete the screening process for public assistance eligibility.

We are often challenged by Medicaid inpatient denials as well as the high volume of uninsured patients coming to our facilities. To the credit of the State, positive changes have been made in regards to the rates for Medicaid mental

health observation days. The Provider Assessment Program has significantly improved Medicaid payments. The screening time has been reduced from 48 to 24 hours and there has been improved screening for dual diagnoses. We do realize there are significant threats for the sustainability of our community hospital inpatient mental health services due to the large number of uninsured in this population and the issue of drug-induced psychological symptoms. Timely eligibility determination for inpatient Medicaid reimbursement continues to be an issue as well as the process for state hospital admissions and the availability of community resources for this population.

We would recommend that the Kansas Health Policy Authority consider the following four recommendations:

1. Complete a thorough review of the screening processes for Medicaid reimbursement and admission to the State hospitals;
2. Further evaluate the observation status and base the eligibility on the patient's symptoms upon admission as opposed to 24 hours after admission;
3. Investigate alternative funding to cover the uninsured mental health patients; and

4. Complete an economic impact study on the effect of returning mental health patients to the workforce if able to access quality mental health services within the community.

In summary, community hospital inpatient mental health units function as the safety net for mental health consumers in Kansas. A large percentage of these patients are uninsured. The future viability of community inpatient mental health units is threatened unless supplemental funding is created. Via Christi Health System stands ready and anxious to work with the State on solutions to this issue.

**The second issue I would like to address today is the Medicaid Disproportionate Share Hospital status and the funding associated with that status.**

Via Christi Health System provides a significant level of service to Medicaid recipients as well as persons who are uninsured. As the Kansas Health Policy Authority evaluates the Medicaid Disproportionate Share or DSH Program, please strongly consider a more equitable calculation for distribution of these funds. In Kansas, hospitals qualify for Medicaid DSH payments as either an LIUR or MIUR hospital. Currently, MIUR hospitals provide 61% of all Medicaid days provided in DSH hospitals but only receive 6.1% of the DSH payments. Via Christi requests that the Kansas Health Policy Authority consider

other formulas for DSH payment distribution that will more equitably reimburse Medicaid DSH hospitals; and seek further State funding for this program so that the full federal funding potential can be realized.

In conclusion, Via Christi Health System understands that the issue of health care access is a state and national issue and policy makers are working toward a solution. We believe there are considerable changes that can be made at the state level and Via Christi pledges to work with you in seeking solutions relevant to Kansas. We look forward to working with you and Governor Sebelius on the evaluation of healthcare reform options to improve access for all Kansans. Thank you for your time.